

## Message Text

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15

ACTION AGR-08

INFO OCT-01 EA-06 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 L-02 TAR-01 /047 W  
----- 072042

P R 280353Z APR 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 2694

INFO AMEMBASSY BANGKOK

AMEMBASSY SEOUL

:/AMEMBASSY TAIPEI 4368

AMEMBASSY TOKYO

LIMITED OFFICIAL USE MANILA 5425

PASS DUDLY WILLIAMS USDA; TOKYO FOR LESTER EDMOND

E.O. 11652: N/A

TAGS: ETRD, RP

SUBJECT: COTTON CONTRACT PROBLEM

REF: (A) STATES 51486; (B) STATE 84510

1. ROKG HAS AGREED TO TAKE ALL NECESSARY STEPS TO ENSURE  
OPENING OF LETTERS OF CREDIT ON ALL CURRENT U.S. COTTON  
CONTRACTS HAVING A SALE DATE PRIOR TO AUG 1, 1974 WITH CONTRACT  
DELIVERY DATES PRIOR TO AUG 1, 1975 (QUOTE OLD SALES UNQUOTE  
OR QUOTE ANNEX A SALES UNQUOTE).

2. ENTIRE LINE OF FY 75 CCC CREDITS FOR COTTON IN KOREAN HAS  
BEEN RAISED TO 175 MILLION OF THAT SUM, L/CS TOTALLING  
APPROXIMATELY 50 MILLION HAVE ALREADY BEEN OPENED. BALANCE OF  
125 MILLION WILL BE USED EXCLUSIVELY TO FINANCE OLD SALES  
EXCEPT THAT A MAXIMUM OF 10 MILLION MAY BE USED TO FINANCE  
SALES MADE BETWEEN AUG 1, 1974 AND APRIL 19, 1975 WITH  
CONTRACT DELIVERY DATE PRIOR TO JULY EQN 1975 (QUOTE NEW  
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SALES UNQUOTE OR QUOTE ANNEX B SALES UNQUOTE). CCC CREDIT

CANNOT BE USED FOR QUOTE NEW SALES UNQUOTE UNTIL CERTAIN  
CONDITIONS, SPECIFIED IN PARA 8 OF ASSURANCES, HAVE BEEN MET.

3. KEY DIFFERENCES IN U.S. REQUEST FOR ASSURANCES, CONTAINED  
REF A, AND ASSURANCES PROVIDED BY ROKG CONCERN INCLUSION  
OF QUOTE NEW SALES, UNQUOTE PARA 8 OF ASSURANCES AND MUTUALLY  
AGREED CHANGES IN CONTRACTS, PARA 7 OF ASSURANCES.

4. TEAM BELIEVES ASSURANCES OBTAINED ARE STRONGER THAN  
ASSURANCES REQUESTED: PARA 5 STRENGTHENED ROKG ASSURANCES  
THAT L/C'S WOULD BE OPENED AND NOW INCLUDES L/C'S COVERED BY  
CCC CREDIT AS WELL AS PRIVATE FINANCING. IN ADDITION, PARA 7  
REQUIRES SHIPMENT DATE WITHIN 3 MONTHS OF OPENING OF L/C.  
WHILE QUOTE NEW SALES UNQUOTE COMPROMISE MEANS THAT 10 MILLION  
LESS CCC CREDIT WILL BE AVAILABLE FOR QUOTE OLD SALES, UNQUOTE  
HAS BEEN INCREASED SINCE CCC CREDIT CANNOT BE USED FOR QUOTE  
NEW SALES UNQUOTE UNTIL SUBSTANTIAL PROGRESS HAS BEEN MADE IN OPENING  
L/C'S FOR QUOTE OLD SALES. UNQUOTE

5. NEGOTIATIONS AND TECHNICAL CLARIFICATIONS WERE LONG AND  
COMPLEX, AND SUCCESSFUL RESULT ONLY POSSIBLE DUE EXCEL-  
LENT PREPARATORY WORK AND SKILLFUL HANDLING OF NEGOTIATIONS  
BY EMBASSY SEOUL.

6. TEXT OF ASSURANCES CONTAINED SEPTTEL.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, COTTON, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA05425  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750148-0052  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750411/aaaaaknt.tel  
**Line Count:** 87  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AGR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATES 51486, 75 STATE 84510  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <15 JUL 2003 by ShawDG>; APPROVED <18 NOV 2003 by KelleyW0>  
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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COTTON CONTRACT PROBLEM  
**TAGS:** ETRD, RP, US, KS  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006